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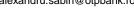
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Daily Report – Global Markets



Close 18 168		ily chg. (%) We	ekly chg.	(%)					
18 168										
	û	-0,47	1	-0,33						
2 150	Û	-0,50	1	-0,44						
4 859	Û	-0,15	1	-0,15						
1 240	1	-0,48	1	-1,27						
346	•	0,84	1	1,74						
10 620	•	1,03	1	2,49						
7 074	•	1,30	1	3,92						
4 503	•	1,11	1	2,37						
2 418	•	0,50	1	1,94						
8 769	•	0,20	1	0,93						
16 819	1	0,50	1	4,05						
22 129	1	0,38	1	0,67						
3 005		n.a.		n.a.						
28 284	Û	-0,18	1	-0,60						
1 001	Û	-0,38	1	2,84						
59 339	Û	-0,21	1	1,64						
FX MARKET										
Close) We	ekly chg.	(%)					
1,1202	1	-0,06	1	0,03						
1,0969	•	0,52	1	0,71						
			1							
			1							
	_	-	₽.	-0,81						
					(bp)					
			1							
			1							
	_		_	-						
132	-									
20.0	Û	-0,7	1	-0,4						
20,8 73,4	⇒	0,0	Ŷ	-5,5						
	1 240 346 10 620 7 074 4 503 2 418 8 769 16 819 22 129 3 005 28 284 1 001 59 339 F) Close 1,1202 1,0969 1,2726 102,84 0,7622 1,3191 62,53 RISK Close 13,6 14 128	1 240	1 240	1 240	1 240					

Source: Reuters, OTP Research

Summary

- Sentiment was positive in Europe but negative in the U.S.
- The pound fell on Brexit news; the weaker currency boosted FTSE
- U.S. Treasury yields advanced
- Oil rose after weak U.S. inventory data on Wednesday morning
- IMF expects tepid g growth and warns about risks of protectionism

Sentiment was positive in Europe on Tuesday. Market optimism was supported by the recent batch of macro data which pointed to sustained economic growth in Europe. In addition, FTSE was boosted by the weakening of the pound. Most sectors managed to rise, the auto industry gained the most among Stoxx600 sectors.

U.S. stocks were weaker, markets were digesting the new global forecast of the IMF – the international organization lowered its growth expectations for the U.S. Asian markets managed to gain by Wednesday morning, though.

The pound fell to another low against the dollar as the probability of a 'hard Brexit' increased – this scenario would exclude the U.K. from the Single Market of the EU. British PM Theresa May was reported to have said that the financial sector should not expect special favours during Brexit negotiations.

U.S. Treasury yields rose, 10-year yields surged by 6 points in a day. The 10-year Bund also increased.

Oil fell until Tuesday evening, but it rose near 51.4 USD/bl by Wednesday morning, as weekly data showed a reduction of U.S. inventories. Hurricane Matthew, which hit Haiti yesterday, also could have contributed to the price increase. Meanwhile, news have arrived about rising oil production: Iran is reported to have increased its output. Its current export level of 2.2 million bl/day may rise to 2.35 million in the coming months.

Gold took a hit, falling by over 3% on Tuesday.



DAILY REPORT - GLOBAL MARKETS

5 OCTOBER 2016

GOV'T BOND MARKET Weekly chg (bp) Yield (%) Daily chg (bp) US 2Y 0.83 6 **US 10Y** 1.69 1 13 JP 2Y -0,27 0 2 JP 10Y -0.06 GER 2Y -0.69 GER 10Y -0.09 2 CENTRAL BANKS' RATES Rate (%) 6M Consensus 1Y Consensus Fed Funds 0.5 0.75 1.25 ECB Rate 0.00 \Rightarrow 0.00 \Rightarrow 0.00 BOE Rate 0,25 \Rightarrow 0,25 \Rightarrow 0,25 BOJ Rate \Rightarrow 0.10 0.10 \Rightarrow 0,10 SNB Target -0.75 \Rightarrow -0.75-0.75MONEY MARKET Rate (%) Weekly chg (bp) Daily chg (bp) 0 0 US 3M Libor 0,86 US 2Y Swap 1.02 -2 5 US 5Y Swap 1.21 6 \Rightarrow **EUR 3M Euribor** -0,30 EUR 2Y Swap -0.22 3 EUR 5Y Swap -0,13 1 4 GB 3M Libor 0.38 GB 2Y Swap 0.44 1 GB 5Y Swap 0,51 5 0 JP 3M Libor -0.02

IMF published its new World Economic Outlook on Tuesday. The organization expects tepid growth in the world economy, which is surrounded by downside risks. In particular, they note that the rise of populism may lead to increasing protectionism, which could harm world trade and economic growth.

Wednesday will bring European and U.S. business cycle indicators, as well as a rate decision by the National Bank of Poland – analysts expect that rates will be kept unchanged. Futures showed that European stock markets may begin the day in the red. As the oil price rises, the need for monetary stimulus by ECB may diminish.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Tuesday	JP	Sep	Nikkei Manufacturing PMI (points)	50,4	50,3	49,5
	UK	Sep	Markit construction PMI (points)	52,3	49,0	49,2
Wednesday	EZ	Aug	Retail sales (mom, %)		-0,3	1,1
	PL	Oct	Rate decision (%)		-	1,5
	US	Sep	ADP nonfarm employment (mom, thousand)		165,0	177,0
	US	Sep	Factory orders (mom, %)		-0,4	1,9
	US	Sep	ISM non-manufacturing PMI (point)		53,0	51,4

Source: Reuters, OTP Research

Daily chg. (%)

-0.04

1

2

3

Weekly chg. (%)

5,40

-0.09

-0.09

-0.74

-0.68

-0.58

Close

50,9

1 268

1

Û

T

JP 2Y Swap

JP 5Y Swap

CHF 3M Libor

CHF 2Y Swap

CHF 5Y Swap

Oil Brent

Gold

COMMODITIES



5 OCTOBER 2016



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DAILY REPORT - GLOBAL MARKETS



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